ISSUE DATE: January 29, 1996

DOCKET NO. P-407, 520, 426, 421, 430, 405/CP-93-1027

ORDER CERTIFYING POLLING RESULTS AND DIRECTING INSTALLATION OF EAS

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Joel JacobsChairTom BurtonCommissionerMarshall JohnsonCommissionerDee KnaakCommissionerDon StormCommissioner

In the Matter of a Petition for Extended Area Service From Watertown Exchange of GTE Telephone Operations to the Metropolitan Calling Area ISSUE DATE: January 29, 1996

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PROCEDURAL HISTORY

In 1991, Watertown subscribers rejected extended area service (EAS) to the Minneapolis/St. Paul Metropolitan Calling Area (MCA) in polling conducted by the Commission. In an Order dated June 26, 1991, the Commission dismissed the Watertown petition noting (among other things) that Commission rules required a two-year waiting period after an EAS ballot failed in a community before another EAS petition could be filed.

On October 12, 1993, Watertown subscribers filed another petition for EAS. Although the cover letter enclosed with the petition forms indicated that the petition was for EAS to the Minneapolis/St. Paul Metropolitan Calling Area, the petition forms themselves did not list the MCA as the petitioned area.

On March 21, 1994, the Commission issued its ORDER REQUIRING TRAFFIC STUDIES.

See In the Matter of the Petition of Certain Subscribers in the Watertown Exchange for Extended Area Service to the Minneapolis/St. Paul Metropolitan Calling Area, Docket No. P-421, 407/CP-87-536, et al., ORDER CERTIFYING ELECTION RESULTS, DIRECTING INSTALLATION OF EXTENDED AREA SERVICE IN CERTAIN EXCHANGES, REQUIRING IMPLEMENTATION PLANS, AND CLOSING CERTAIN DOCKETS (June 26, 1991).

On March 24, 1994, the Department filed a letter recommending that the Commission order the affected telephone companies to file cost studies and proposed rates for Watertown to the Metro Extended Area Service.

On June 23, 1994, the Commission issued its ORDER REQUIRING COST STUDIES AND PROPOSED RATES.

On August 18, 1994, GTE requested an extension of time to September 21, 1994, to file its traffic studies. On September 13, 1994, the Commission issued its ORDER GRANTING TIME EXTENSION. Between September 21, and September 29, 1994, the affected companies filed cost studies and proposed rates.

Between September 30, and October 26, 1994, Frontier (formerly Vista), Scott-Rice, Bridge Water and U S WEST filed revised cost studies due to a change in the percentage of usage between some petitioned MCA exchanges.

On December 1, 1994, the Department filed comments.

On December 21, 1994, GTE filed reply comments and revised cost studies and proposed rates.

Between December 27, 1994, and January 6, 1995, Frontier, Sherburne County Rural Telephone Company, U S WEST and United filed revised cost studies and proposed rates in response to GTE's December 21, 1994 filing.

On February 6, 1995, the Department informed the Commission that it was doing additional investigation of GTE's cost studies and proposed rates.

On February 8, 1995, GTE submitted a second, revised cost study and proposed rates. The Department notified the Commission that it would be conducting its own cost study based on GTE's February 8, 1995 filing.

On March 22, 1995, the Department submitted its first addendum.

On April 14, 1995, GTE and the City of Watertown submitted comments.

On May 23, and May 30, 1995, the Department submitted revisions to its cost study and proposed rates reflecting adjustments for lowered access charges and the lower cost alternative.

On June 9, 1995, GTE submitted a third, revised cost study and proposed rates.

On November 8, 1995, the Commission issued its ORDER ESTABLISHING RATES FOR POLLING, APPROVING A LOWER COST ALTERNATIVE, AND REQUIRING REPORT and proceeded to conduct a poll of Watertown customers between November 28, 1995 and January 16, 1996.

On January 23, 1996, the Commission met to consider the results of that polling.

FINDINGS AND CONCLUSIONS

The final criterion for an EAS petition is whether there is adequate customer support for the proposed EAS route. If a majority of customers vote in favor of the installation of EAS, the Commission is authorized and directed to order the relevant local telephone company to install the service. Minn. Stat. § 237.161, subd. 1 (1994).

The Commission has reviewed the results of the polling of Watertown customers and will certify the following results. With 78.4 percent participation, the results were:

Voting Yes: 1,202 or 73.7 percent of valid returned ballots. Voting No: 428 or 26.3 percent of valid returned ballots.

Since more than a majority of the Watertown customers responding to the poll voted in favor of installing the proposed EAS route between Watertown and the MCA, the Commission will direct GTE Minnesota (the local telephone company serving the Watertown exchange) to implement EAS as set forth in more detail in the Ordering Paragraphs of this Order.

ORDER

- 1. The polling results for the Watertown exchange in this matter are hereby certified as set forth above.
- 2. In accord with the results of that polling, the Commission hereby approves the petition for EAS between the Watertown exchange and the MCA.
- 3. GTE Minnesota shall coordinate implementation of the approved EAS in the Watertown exchange and file implementation schedules within 60 days of this Order. The Company shall update that implementation schedule every 90 days and assure that service begins not later than 12 months following the date of this Order.
- 4. GTE Minnesota shall make any request for recovery of non-recurring costs at least 120 days before the planned implementation date, i.e. the date that local service in Watertown will be expanded to include EAS service to the MCA.
- 5. FIRST NOTICE: Within 10 days of the date of this Order, GTE Minnesota shall file

the first of two proposed customer notices for approval by the Commission or Commission Staff. The notice shall list the results of the polling, the EAS additives, and the proposed implementation dates. After approval, the Company shall serve the notices in the first possible billing cycle in the Watertown exchange.

- 6. SECOND NOTICE: GTE Minnesota shall notify its Watertown customers of the start date of EAS by means of a second bill insert. The Company shall submit the second bill insert to the Commission staff for approval at least 90 days before the implementation date of the service. This notification shall describe the service, instruct customers on dialing, list the additional rates to be paid and the date of implementation and shall be included in the billing cycle that concludes at least one month, but not more than two months, before EAS is implemented.
- 7. At the time GTE Minnesota issues this second notice, the Company shall file copies of the final notices with the Minnesota Department of Public Service and the Commission. Thereupon, this docket (P-407, 520, 426, 421, 430, 405/CP-93-1027) will be closed.
- 8. At least 30 days before the implementation of EAS, all affected local telephone companies shall file tariff sheets reflecting prior Commission Orders and that establish the rates and terms for EAS in each of the exchanges affected by the installation of EAS.
- 9. At least 90 days before the anticipated implementation date for the Watertown route, all telephone companies serving the Metropolitan Calling Area (MCA) shall file proposed customer notices for approval by Commission Staff. This notification should describe the service, instruct customers on dialing, list the additional rates to be paid and the date(s) of implementation. The companies shall include this bill insert in the billing cycle that concludes at least one month, but not more than two months, before EAS is implemented.
- 10. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar Executive Secretary

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